

REPORT OF SPECIAL COMMITTEE APPOINTED BY THE
GOVERNING COUNCIL OF THE INTERCOLLEGIATE BROADCASTING SYSTEM

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Paul F. Yergin

At the May 1946 meeting of the Governing Council a committee was set up by order of the Governing Council and was charged with investigating sources of income for IBS other than assessment of members. The committee was further given the power to accept income from such sources for IBS, consistent with the program of IBS as established by the Governing Council.

The members of the committee are T. J. Wertenbaker, D. Linton, and P.F.Yergin. It was understood that Wertenbaker's main function would be to advise the other two members, as his geographical separation made it unlikely that he would be able to participate actively in the work of the committee. The committee has never met formally, but discussions have been carried on in New York, and by mail with Wertenbaker. All of the actual investigating has been done by Linton, and the New York office of IBS has undertaken to carry out such of the ideas considered as seemed practical.

The following means of support have been considered and found more or less promising:

1. Network operation charges.

When IBS operates a network, with sponsored programs carried on it, the cost of operating the network will be taken out of the advertising revenue of the network. It is apparent that a certain portion of the work that IBS does even in the absence of an actual operating network can properly be charged to network operating costs. It is estimated that this portion might amount to as much as 1/3 of present and proposed operating expenses of IBS, exclusive of direct network operation costs.

2. Network Production Charges.

When sponsored programs are carried on the network, IBS and its members may undertake the production of these programs for the sponsor. The sponsor will be charged for the cost of production, above the network time charges. In general the production charge would exceed the production cost. Part of the production charge would be paid to the station of origination, depending on how much of the production work they did, and the remainder would remain with IBS. It is very difficult to estimate how much income this might produce, as it is not possible to load the sponsor too heavily with production costs in addition to time charges.

3. Non-Network Production Charges.

As with network programs, if IBS undertakes the production of sponsored non-network programs, production charges may bring some net income.

4. Radio Industry.

Some income, either in the form of money or services, facilities, or otherwise, may be forthcoming from the radio industry. At present the Middle Atlantic Network is sponsored by a radio station in Philadelphia. It is not possible to give any reasonable estimate of the net income IBS might derive from such sources.

5. Cooperative Program Charges.

IBS might undertake to produce programs to be distributed by transcription or scripts, for local sponsorship on member stations. In some cases the cost of production may be borne by others than IBS, and IBS would be reimbursed for its administrative expenses in connection with the programs.

2.

An example of this is a trade organization interested in promoting general use of the product concerned by producing a program for local sponsorship by businesses selling that product. They would pay the production and distribution costs, while the local sponsor would pay only the station time charges. This is mainly a means of increasing the income of member stations. The net income to IBS would be small in any event.

6. Outside Production of Sustaining Programs.

There are some organizations which have a message or point of view (non-controversial) which they wish to get across, which might be willing to pay the production costs of sustaining programs giving voice to their message. They would probably produce the program themselves, so that IBS would derive no net income from the production costs, but other advantages might arise, and some distribution and administrative costs might be defrayed.

7. Sale of Publications.

A. Bulletin. At the suggestion of "ertenbaker, a subscription price was established for the Bulletin, and subscriptions have already been received, even with no promotion. If 500 subscriptions were received, a net income to IBS of about \$550 would result. This would still be far less than the cost of publishing the Bulletin, but that cost is carried whether subscriptions are sold or not. This source of income has the advantage that it requires no investment on the part of IBS before income is available, except the small amount of promotion needed.

B. Handbooks. A number of handbooks are in various stages of publication. These can be sold for 75¢ to \$1.00. This will not cover the publication costs, but again, IBS would pay that anyway. The cost of printing the extra copies may run about 50¢ per copy. Investment is required in advance of sales. However, the prospects of sales of some of them is very good. A handbook of pronunciation of musical terms and names would be in great demand in the radio industry and elsewhere. Probably only a limited number will be first printed by IBS, and if the first edition sells out, and there is promise of considerable further sales, IBS can either reprint, or may sell publication rights to another publisher, in which case the authors would also get royalties, as they contribute the original work free to IBS.

SUMMARY

There seem to be no quick sources of income that will provide more than a trivial portion of IBS operating expenses. The few that can provide this trivial portion are being pursued. The ones that might eventually pay a total of one-third to one-half of IBS operating expenses will be followed up and may be expected to produce appreciable income in one or two years. However, they all require prior investment of money and effort by IBS. Any reduction of the scale of IBS operations would jeopardize these potential sources of income. Some of them will require a moderate expansion of operations before any return can be realized.

